

Appropriations Committee Hearing

February 14, 2013

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Chair, Greater Mystic Visitors Bureau

Thank you for the opportunity to share some thoughts with you on the important business of economic development. I am here to ask that you support the Governors request for \$15 million to continue to advertise the state as a place to visit and conduct business in.

I speak as Chair of the Greater Mystic Visitor Bureau (GMVB) and as President of the Chamber of Commerce of Eastern Connecticut. The Chamber oversees the day-to-day management of the bureau. We do so at no cost to the State taxpayers. The bureau is a private public partnership whose board consists of representatives from the tourism industry.

The GMVB's primary asset is the mystic.org website, one of the most popular tourism website in the state. The site has approximately 800,000 visitors annually with an average stay of 3 minutes. The bureau manages all activities related to the website at no cost to the state of Connecticut. In addition, the bureau collaborates with the Eastern Regional District on print and media advertisement, and in conjunction with the state office of tourism, we participated in social and radio media advertisement. This past year, bureau partners, including the regional District, committed \$130,000 which was matched with state funding in the amount of \$300,000 to advertise the state and the eastern region in particular.

In 2012, DECD's Office of Tourism started aggressively marketing to brand the state after having been out of the tourism marketplace for two years and before then, a decade of non-competitive budget allocations. For the first time, DECD now had resources for business development advertising and promotion. Changing perceptions under these conditions is a building process and we are at the very beginning.

Unlike in the past, it is possible to know if state advertisement investment is paying dividends. Using Google analytics, we know that the states and the private sector advertisement paid off handsomely this past year, not only for the business community but also for the state's coffers. The experience at the state level, and in the case of our bureau's web site we witnessed an immediate positive response to the advertisement we collectively purchased.

**2012 - Immediate Results**

The initial data<sup>1</sup> indicates that we are moving in the right direction. We know that:

- 53% of those who saw the new campaign advertising are interested in visiting, claim to have visited or plan to visit Connecticut as a result of seeing or hearing the ads;
- 18% increase in awareness of Connecticut as a place to visit, significantly above the average gain for competing states;
- 70% increase in advertising awareness for Connecticut, the largest increase of any other Northeast state;
- 21% increase in perceptions of Connecticut as a dynamic, innovative state.
- 6.68% increase in visitation to major visitor attractions

In addition, the initial data<sup>ii</sup> resulting from advertising this past year indicates that:

\$161 million additional spending by tourists can be directly attributed to DECD's tourism advertising during the summer of 2012. The resulting tax revenue is sufficient to cover the \$15 million investment for the entire fiscal year. These are conservative estimates that will continue to increase as the State's investment in tourism advertising continues during subsequent seasons.

Unlike virtually all other government-funded programs, **tourism is a revenue generator, not a cost to taxpayers.** Longwoods International, a well-respected firm experienced in evaluating the performance of campaigns throughout the U.S. estimates that every dollar of public funds the state invests in paid media will return approximately 2 to 3 times that amount in direct tax revenue. This revenue helps to fund public programs through the state.

I am here on behalf of the over 1,600 businesses I represent to strongly encourage you to support the Governors 15 million request for promoting this important industry. The importance of advertising the state cannot be underestimated. State expenditure in the tourism industry, especially outside the state, is imperative. If you talk with tourism venders, they will tell you that it is critically important that we find an effective way to speak with a statewide voice when it comes to selling the state. Simply stated, there is no substitute for consistent and repetitive marketing especially when we consider that:

There is much yet to be done to maximize the states potential for growing jobs and growing the tourism industry in CT.

Forecasting projections<sup>iii</sup> indicate Connecticut's \$11.5 billion tourism industry has the potential to grow to \$14 billion, assuming aggressive new advertising and marketing efforts continue

For example:

**\$11.5 billion<sup>iv</sup> in Connecticut economic activity annually is derived from travel & tourism activities**

- **\$1.15 billion of state and local tax revenue is generated by travel & tourism**
- **110,000 jobs or 6.5% of Connecticut's labor force created by the tourism industry**
- **And that every dollar invested returns 2 to 3<sup>v</sup> times in direct tax revenue**

To reach this potential and we can:

- We need to go after the foreign traveler
- Do a better job of training hospitality workers
- have a unified statewide message
- Consistent quality advertisement
- Forecasting projections<sup>vi</sup> indicate Connecticut's \$11.5 billion tourism industry has the potential to grow to \$14 billion, assuming aggressive new advertising and marketing efforts continue

Finally, it is important that we always remember that when the family is making their vacation purchase and when our state is not on their mind we lose out. They will go elsewhere. This is not the bread that the family must have; it is the candy at the checkout counter that you would like to have. And every state around us has lots of different brands of candy. That is why we have to have a consistent clear message that CT is a great place to visit and conduct business in.

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<sup>i</sup> The Harrison Group. "CT Campaign Tracking". Quantitative study of more than 1,000 random households who travel, from eight Northeast states. September 2012.

<sup>ii</sup> The Harrison Group. "CT Campaign Tracking". Quantitative study of more than 1,000 random households who travel, from eight Northeast states. September 2012.

<sup>iii</sup> The Harrison Group. "Connecticut Tourism: Per Capita Revenue Forecasting". October 2012.

<sup>iv</sup> Connecticut Center for Economic Analysis. "The Economic Impact of the Arts, Film, History and Tourism Industries in Connecticut". December 2006.

<sup>v</sup> Longwoods International. "Funding Connecticut's Tourism Promotion: A White Paper". May 2012.

<sup>vi</sup> The Harrison Group. "Connecticut Tourism: Per Capita Revenue Forecasting". October 2012.